

## Message Text

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ORIGIN ARA-10

INFO OCT-01 ISO-00 SSO-00 NSCE-00 USIE-00 INRE-00 SP-02

USIA-06 AID-05 EB-07 NSC-05 CIEP-01 TRSE-00 SS-15

STR-04 OMB-01 CEA-01 CIAE-00 COME-00 FRB-03 INR-07

NSAE-00 XMB-02 OPIC-03 LAB-04 SIL-01 L-03 H-02 PA-01

PRS-01 AGR-05 /090 R

DRAFTED BY ARA/ECP:SHROGERS:SAB

APPROVED BY ARA:JGRUNWALD

ARA/CAR:THEAVNER

EB/IFD/OMA:CCCUNDIFF

TREASURY:SCROSS (INFO)

----- 056561

O 192340Z AUG 76

FM SECSTATE WASHDC

TO AMEMBASSY SANTO DOMINGO IMMEDIATE

C O N F I D E N T I A L STATE 206911

E.O. 11652: GDS

TAGS: ECON, EFIN, XM, DR

SUBJECT: PROSPECTIVE GODR DRAWING ON CFF

REF: A. SANTO DOMINGO 3974

1. DEL CANTO, DIRECTOR, WESTERN HEMISPHERE DEPARTMENT, INTERNATIONAL MONETARY FUND, TOLD DEPUTY ASSISTANT SECRETARY GRUNWALD, AUGUST 18, THAT BRAZILIAN EXECUTIVE DIRECTOR KAFKA, REPRESENTING THE DOMINICAN REPUBLIC, HAD THAT DAY CALLED THE IMF TO REQUEST A DRAWING FROM THE COMPENSATORY FINANCE FACILITY FOR THE DOMINICAN REPUBLIC.

2. UNDER CFF PROCEDURES, DRAWING COULD TOTAL 21.5 MILLION  
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SDRS (HALF OF GODR'S QUOTA) OR ABOUT 25 MILLION DOLLARS.

KAFKA TOLD DEL CANTO THAT THE GODR NEEDS THE FUNDS BY SEPTEMBER 9. HOWEVER, DEL CANTO SAYS MATTER CANNOT BE PUT TO BOARD BEFORE SEPTEMBER 1, AND ACTION CANNOT BE TAKEN BEFORE MID-SEPTEMBER.

3. DEL CANTO PREDICTED THAT THE BOARD WOULD AGREE TO DR REQUEST, SUBJECT TO ADDITIONAL DATA THAT KAFKA IS SEEKING. FACT THAT DR'S FOREIGN EXCHANGE POSITION WOULD BE BETTER IF IT HAD NOT HELD SUGAR STOCKS IN MISTAKEN

ATTEMPT TO INCREASE RECEIPTS SOMEWHAT COMPLICATES SITUATION. HOWEVER, SHORTFALL IS GREATER THAN THAT ACCOUNTED FOR BY FALL IN SUGAR RECEIPTS.

4. DEL CANTO TOLD GRUNWALD THAT DOMINICAN CENTRAL BANK HAS GROSS HOLDINGS INCLUDING INVESTMENTS OF ABOUT 70 MILLION DOLLARS.

5. REQUEST EMBASSY'S COMMENT ON FIGURE OF 70 MILLION DOLLARS FOR CENTRAL BANK GROSS HOLDINGS. IT WOULD ALSO BE USEFUL TO KNOW WHETHER GODR NEED OF CFF FUNDS BY SEPTEMBER 9 IS RELATED TO 40 MILLION DOLLARS PAYMENT DUE VENEZUELA IN SEPTEMBER MENTIONED IN REF. A.

6. COMMENT: DEL CANTO'S PREDICTION THAT BOARD WOULD AGREE TO CFF DRAWINGS MAY BE MORE COMPLICATED BY SUGAR STOCKING THAN HIS LANGUAGE SUGGESTS.

ROBINSON

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC ASSISTANCE, FUND ALLOTMENT, FOREIGN EXCHANGE HOLDINGS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 19 AUG 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ShawDG  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Executive Order:** GS  
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**Reference:** 76 SANTO DOMINGO 3974  
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**Review Authority:** ShawDG  
**Review Comment:** n/a  
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**Review Date:** 23 JUL 2004  
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**Review Transfer Date:**  
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**TAGS:** ECON, EFIN, XM, DR, IMF  
**To:** SANTO DOMINGO  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006